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Seventy-first session

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Fifth Committee

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Held at Headquarters, New York, on Thursday, 29 September 2016, at 10 a.m.

Chair: Mr. Pretterhofer (Vice-Chair) (Austria)
later: Ms. King (Chair) (Saint Vincent and the Grenadines)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10.10 a.m.

Agenda item 5: Election of the officers of the Main Committees

1. **The Chair** said that the nomination of Ms. King (Saint Vincent and the Grenadines) for the office of Chair had been endorsed by the Group of Latin American and Caribbean States. In the absence of further nominations, and in accordance with rule 103 of the rules of procedure of the General Assembly, he would take it that the Committee wished to elect Ms. King (Saint Vincent and the Grenadines) Chair.

2. *Ms. King (Saint Vincent and the Grenadines) was elected Chair by acclamation.*

3. *Ms. King (Saint Vincent and the Grenadines) took the Chair.*

4. **The Chair** said that that the nomination of Ms. Nikodijevic (Serbia) for the office of Vice-Chair had been endorsed by the Group of Eastern European States. In the absence of further nominations, and in accordance with rule 103 of the rules of procedure, she would take it that the Committee wished to elect Ms. Nikodijevic (Serbia) Vice-Chair.

5. *Ms. Nikodijevic (Serbia) was elected Vice-Chair by acclamation.*

Organization of work (A/C.5/71/1; A/C.5/71/L.1)

6. **The Chair** invited members to consider the proposed programme of work of the Committee for the main part of the session, which had been drawn up on the basis of the agenda items allocated to the Committee (A/C.5/71/1), and the note by the Secretariat on the status of preparedness of the relevant documentation (A/C.5/71/L.1). A separate list on the status of documentation would be issued for the first and second parts of the resumed session. She wished to highlight some of the recommendations made by the General Committee in its first report (A/71/250) and adopted by the General Assembly at its 2nd plenary meeting. With regard to the rationalization of work, the General Assembly had requested each Main Committee to further discuss its working methods at the beginning of every session, and had invited the Chairs of the Main Committees, at the seventy-first session, to brief the Ad Hoc Working Group on the Revitalization of the Work of the General Assembly on their committees' discussions of working methods.

7. The Committee should complete its work for the main part of the session by 9 December 2016. In view of financial constraints, meetings of the Main Committees, including informal meetings, should start promptly at 10 a.m. and be adjourned by 6 p.m. In accordance with past practice, the requirement that at least one quarter of the members should be present in order to declare a meeting open and to permit debate to proceed should be waived. The General Committee had drawn attention to rules 99 (b), 106, 109, 114 and 115 of the rules of procedure regarding the conduct of meetings. She also drew attention to rule 153 of the rules of procedure, regarding resolutions involving expenditure, and to General Assembly decision 34/401, paragraph 13 (b), regarding recommendations of the Advisory Committee.

8. Efforts should be made to reduce the number of resolutions adopted, and resolutions should not contain requests for reports from the Secretary-General unless such reports were strictly necessary for the implementation of those resolutions or for the continued consideration of an item. Resolutions should be short and action-oriented. In addition, the Main Committees should merely take note of the reports of the Secretary-General or of subsidiary bodies that did not require a decision and should neither debate nor adopt resolutions on them unless specifically requested to do so.

9. **Ms. Chartsuwan** (Thailand), speaking on behalf of the Group of 77 and China, said that the Group trusted that adequate time would be provided for the effective consideration of important agenda items. The Secretariat and the Advisory Committee must ensure that Member States received reports in good time. Any delay in issuance of documentation in all official languages, in accordance with the rules of procedure of the General Assembly, seriously affected the work of the Committee.

10. In particular, the Group attached high priority to implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. The two Agendas had been adopted over a year previously; no more time could be lost in providing adequate financial resources if they were to be successfully implemented.

11. Regarding human resources management, the Group would focus on human resources management reform, amendments to the Staff Regulations and Rules, and implementation of the International Civil Service Commission recommendations on the common system compensation package. It would also examine the proposals on construction and property management, especially those pertaining to the Economic Commission for Africa (ECA) and the Economic and Social Commission for Asia and the Pacific (ESCAP). In addition, the Group looked forward to studying in detail the proposed programme budget outline for the biennium 2018-2019 and the first performance report on the programme budget for 2016-2017. Lastly, the Group would pay close attention to Umoja, the global service delivery model, flexible workplace arrangements, and the capital master plan.

12. The Group emphasized its readiness to conclude all agenda items within the time frame allotted in the programme of work so as to ensure the effective functioning of the Organization, and stressed the principle of conducting negotiations in an open, inclusive and transparent manner. It was the collective responsibility of Member States to take decisions that were beneficial to the Organization and that enabled it to fulfil its mandates effectively and efficiently.

13. **Mr. Gafoor** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that ASEAN would pay close attention to implementation of the 2030 Agenda for Sustainable Development, human resources management, the proposed programme budget outline for the biennium 2018-2019, and special political missions. In addition, ASEAN emphasized the importance of supporting the Economic and Social Commission for Asia and the Pacific, the Extraordinary Chambers in the Courts of Cambodia, and the critical work of the Office of Internal Oversight Services (OIOS). ASEAN reiterated that the Secretariat must be given sufficient resources to fulfil mandates approved by the General Assembly effectively and efficiently.

14. Given the Committee's heavy and complex workload, the early issuance of documents was critical if it was to have sufficient time to properly examine key agenda items. The Secretariat and Advisory Committee must work closely together. At the previous session the Committee had completed its work before the holiday season, momentum that should be built on at the current session.

15. **Mr. Cortorreal** (Dominican Republic), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that the programme of work included issues of great importance to the Community: implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda; the scale of assessments for the apportionment of the expenses of the Organization and Article 19; the proposed programme budget outline for the biennium 2018-2019; support for the special political mission in Colombia; human resources management; the first performance report on the 2016-2017 programme budget and other issues related to the programme budget for 2016-2017, including the programme budget implications of the New York Declaration for Refugees and Migrants; the operational arrangements and conditions of service of the Advisory Committee; and the Secretary-General's report on the United Nations system's response to sexual exploitation and abuse cases in the Central African Republic.

16. CELAC congratulated the Colombian Government and people on the enormous success achieved in finally ending the war in their country. The Committee now had the responsibility of making sure that the mission received adequate funding and support for the effective implementation of its mandate.

17. The Community was concerned over the delay in submission by the Secretary-General of a comprehensive proposal for implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda, to which it attached the highest priority. It was essential for the Secretariat to abide by the mandates given by the General Assembly in the 2016-2017 budget resolution.

18. Regarding human resources management, much more needed to be done to improve geographical representation and gender balance in recruitment, particularly with regard to senior level posts.

19. CELAC regretted that the Committee had been unable to decide on the necessary reform of funding and backstopping for special political missions, notwithstanding their importance. The current administrative and budgetary arrangements were

inadequate and had an adverse effect on the regular budget, accountability, governance, and transparency. Those deficiencies must be corrected.

20. CELAC reaffirmed the crucial importance of having all official documentation required to ensure the efficiency of the Committee's work, the quality of its debates and negotiations and completion of the programme of work by the established deadline. With many challenges ahead, it was imperative for the Secretariat to respond to the continuous demands of Member States in successive resolutions of the General Assembly for strict observance of the principle of timely distribution of documents in all official languages.

21. **Mr. Abdallah** (Chad), speaking on behalf of the Group of African States, noted the Committee's heavy workload, and also noted with appreciation the number of reports issued to date. The remaining reports must be issued on time to allow the Committee to discharge its responsibilities.

22. The current session being a human resources year, the related items must be prioritized in the programme of work; the Group was particularly interested in the common system and pension matters. However, attention must also be focused on financing the 2030 Agenda and the Addis Ababa Action Agenda and the implementation of business transformation and capital projects, in particular Africa Hall at the Economic Commission for Africa. The funding and backstopping arrangements for special political missions, including the proposed strengthening of the United Nations Office to the African Union (UNOAU), must also be scrutinized. In addition, the Group would examine oversight matters, and, if introduced, financing for the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), the United Nations Mission in South Sudan (UNMISS), the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) and the United Nations Operation in Côte d'Ivoire (UNOCI).

23. Regarding the scale of assessments, the Group stressed the need for a speedy decision on Article 19 to enable the Member States concerned to fully participate in the work of the General Assembly.

24. Timely conclusion of the Committee's work depended on the behaviour of delegations. While the Group acknowledged the challenges faced by the Committee in its work, which had resulted in regular extensions of the programme of work beyond the allotted time frame, it could not endorse the approach of those delegations that had written directly to the Chair of the Fifth Committee and the President of the General Assembly in that regard. Collective hard work, constructive engagement, dedication and sacrifice were the solution to the challenges. Negotiations in the Committee must be conducted in an open, inclusive and transparent manner within the officially allotted time frame.

25. **Mr. Webson** (Antigua and Barbuda), speaking on behalf of the Caribbean Community (CARICOM), noted that in the coming weeks the Committee would be tasked with addressing a number of critical administrative and budgetary challenges; it was crucial for Secretariat and Advisory Committee documentation to be issued in a timely manner to ensure that the work of the Committee was efficient and well informed so that the session could conclude satisfactorily within the established time frame.

26. That said, the issuance of reports should not determine the priorities of Member States. Rather, the programme of work must reflect the importance accorded to items by Member States, and not be determined by the dates on which reports were introduced before the Committee. In that regard, CARICOM was gravely concerned by the fact the Secretary-General had yet to submit a comprehensive proposal on the implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda, a matter of great significance that should be prioritized.

27. CARICOM trusted that the Bureau would ensure that the programme of work reflected the interests of the collective membership of the General Assembly and that negotiations were conducted in an open, inclusive and transparent manner, rather than in small group configurations. Member States had a collective responsibility to take decisions that were beneficial to the Organization as a whole and that enabled it to fulfil its mandates effectively and efficiently.

28. **Mr. de Preter** (Observer for the European Union), speaking also on behalf of the candidate

countries Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia, the Republic of Moldova and Ukraine, said that the Committee's programme of work included many important and complex items; a collective effort embodying a constructive spirit would be required to complete it in a timely manner.

29. How best to organize the Committee's work was a shared responsibility. However, the European Union believed that working methods could and must be improved.

30. In that regard, the timely, simultaneous issuance of all required documentation in all official languages was key to the inclusivity and transparency needed for successful negotiated outcomes. The Committee should be able to reach decisions by consensus during normal working hours, with proper conference facilities, and without having to resort to working at the weekend or at night. Working outside normal conference hours to conduct business should be the exception, not the rule. The Committee played a key role in steering the Organization towards greater inclusivity, transparency, effectiveness and efficiency in delivering its mandates, back door deals could not be part of that exercise.

31. At the seventieth session, the Committee had managed to conclude its business at the expert level by consensus, and could do so again at the current session. However, time management remained a major concern, with important items being introduced at a very late stage. It was his delegation's understanding that there was a strong shared feeling that four weeks was not enough time for completion of the work at the second part of the resumed session, and that the back-to-back scheduling of the Fifth Committee with the Committee on Programme Coordination (CPC) hampered the organizational effectiveness of the Committee and its secretariat. He trusted that the Committee could find a solution in the interests of multilingualism and transparency, and of the staff of the Organization, whose livelihood depended on the budget decisions it took.

32. A few days previously, the Secretary-General had made an appeal for practical solutions that would improve decision-making at the United Nations. The Committee should respond by improving its working methods and processes so that it was better equipped to make the Organization more transparent and effective and less prone to micromanagement and midnight deals behind closed doors.

33. As general principles, effectiveness, efficiency and budgetary discipline were crucial to the proper functioning of the Organization, especially now when emerging challenges impelled new functions and mandates, necessitating reprioritization and redeployment of resources. Recent reform initiatives in the field of human resources, information and communications technology and Umoja had yet to realize their full potential and benefits. He hoped that more progress could be made.

34. Every possible measure needed to be taken to avoid increases in the already agreed programme budget, including those deriving from a piecemeal approach to the budget process as well as from inflation and currency fluctuations. There must be strict adherence to rule 153 of the rules of procedure of the General Assembly, and to all other procedures relating to new resources and the adoption of resolutions with programme budget implications.

35. As staunch supporters of the United Nations and the principle of effective multilateralism, the member States of the European Union were committed to providing the Organization with the necessary resources to conduct its work, while firmly believing there was still substantial room for improving its efficient and effective operation.

36. **Mr. Guo** Xuejun (China) said that his delegation expected the Committee to continue to provide strong backing to the Organization's efforts to implement its mandates, and in particular to ensure adequate and predictable financial resources for the implementation of the 2030 Agenda for Sustainable Development. He also hoped that the Committee would formulate a reasonable budget outline for the 2018-2019 biennium.

37. His delegation trusted that Member States would continue to work with the Secretariat to improve the planning, formulation and implementation of the budget, strictly observe budgetary discipline and improve efficiency, in order to put to good use every cent contributed by taxpayers.

38. He called on Member States to embrace a spirit of partnership characterized by democratic consultation

and win-win cooperation, and reach consensus while accommodating each other's concerns. It was particularly necessary to continue the good practice of the previous session and complete the consideration of all items within the allotted time frame.

39. The problem of late issuance of documents remained, with documents under most items not yet available. He hoped that both the Secretariat and the Advisory Committee would expedite their work.

40. **Ms. Coleman** (United States of America) said that the coincidence of the presidential election in the host country and the completion of the term of office of the serving Secretary-General represented an important changeover and an opportunity to take stock of reform in the Organization, a priority of the Secretary-General strongly supported by her Government. Her delegation greatly appreciated the Secretary-General's efforts over the past 10 years to streamline activities, increase accountability and transparency, and promote efficiency. The Secretary-General's support for budget discipline had helped the Organization to level off the unrestrained growth in budgets that had occurred for too long. Notably, the initial budget approved for 2016-2017 had been, for only the third time in the last half century, less than the starting point of the budget for the previous biennium. At a time of fiscal constraint, such budget discipline must continue. However, further efficiency gains depended on realizing the full potential of the change initiatives already started.

41. She commended the Secretary-General for having embarked on a long-overdue process of modernization that had resulted in important advances in how the Organization deployed its resources. The implementation of IPSAS and Umoja was beginning to deliver new transparency and accountability in resource allocation decisions. The real potential of those tools was to enable the Organization to adopt more streamlined and more effective ways of doing business that promised significantly greater efficiencies. Member States had invested heavily in those initiatives and expected a commensurate return on investment. The work of the United Nations — delivering life-saving services, resolving conflicts around the world and supporting implementation of the Sustainable Development Goals — was too important not to strive for the greatest efficiencies possible so that resources could flow to where they were most needed.

42. Personnel accounted for over 70 per cent of the Organization's costs, making it imperative to shift towards human resources management policies and a modern talent management system that attracted and retained the best talent possible. The United Nations should emulate Governments around the world by moving to shared services in more cost-effective locations, with the prospect of huge efficiency gains. The global service delivery model must build on the lessons learned from the global field support strategy and result in more comprehensive restructuring.

43. Lastly, reform would never be achieved if the issue of overlapping, redundant and obsolete processes and mandates was not addressed. Different parts of the Organization continue to compete with each other for resources, although mandate delivery was rarely evaluated for effectiveness. The United Nations must reprioritize, and shift resources from activities that had run their course or failed to deliver to those that deserved greater investment.

44. **Mr. Munir** (Pakistan) said that decisions on timelines for the conclusion of informal consultations and deferral of non-time-bound agenda items must be taken in an open, transparent and inclusive manner, taking into account established practice and institutional memory. The Chair of the Committee had an important role in allocating adequate time to each agenda item, taking into account its significance and complexity.

45. Supporting implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development were two of the most important items at the current session. No time could be lost in initiating the processes that would lead to the provision of adequate resources.

46. There must also be particular focus on human resources management reform, amendments to the Staff Regulations and Rules, and implementation of the International Civil Service compensation package, all vital to the common system.

47. His delegation was concerned at the chronic issue of the late distribution of necessary documentation, and hoped that that would not prevent the Committee from

completing its work on time. Late issuance impaired the quality of the General Assembly's resolutions, the Committee's deliberations, and the overall organization of its work. Reports should be available on time. The Committee should take up what was a long-standing and complex systemic issue in the context of efforts to improve its methods of work.

48. The heavy agenda at the session called for flexibility, compromise and understanding by all. His delegation would engage constructively in accordance with the programme of work within the allotted time frame.

49. **Mr. Imada** (Japan) said that the Committee had before it many important issues: the 2018-2019 budget outline, human resources management, and outstanding issues deferred from the previous session. He noted that the Committee had begun its work a week earlier than usual, in view of which the scheduled end date should be strictly observed. With the imminent change of Secretary-General, it was especially important to adopt a draft resolution on human resources management.

50. **Mr. Pedersen** (Norway) appealed for the Committee to complete its work on time in a cooperative climate, failing which the Assembly would not be able to provide the Secretariat with the necessary instruments to make the Organization agile and effective.

51. The United Nations, soon to be headed by a new leadership team, was entering a period of change. The incoming Secretary-General faced the daunting task of adapting the Organization to the serious challenges that lay ahead. The Committee must provide its support by facilitating necessary reforms in the way the Organization operated.

52. In addition to setting priorities for the upcoming biennium, the Committee must deal with several issues inherited from previous sessions.

53. Over the past decade and a half, the complexity and variety of special political missions had increased, raising the issues of their funding and backstopping. At the current session, the Committee would decide on the budget for the new mission in Colombia, pursuant to a ground-breaking agreement ending 52 years of conflict between the Government and guerrillas that heralded a new era of sustainable peace. All special political missions were different; the role of the United Nations involved not only the respective budgets, but the right human resources and knowledge for the right purposes. He urged all parties to be sensible and open-minded in the forthcoming discussions. His delegation would support any pragmatic solution that enhanced the functioning, efficiency and effectiveness of special political missions.

54. Financing of the system of resident coordinators under the United Nations development system was critical to the 2030 Agenda for Sustainable Development. While the share of the Secretariat was small, it was important in terms of funding. As a matter of principle, the Committee should respect the cost-sharing agreement within the framework of the United Nations Development Group.

55. A further issue was the financing of the regional restructuring of the Office of the High Commissioner for Human Rights, and the strengthening of human rights to promote much-needed balance between the three pillars of the Organization. That implied both securing a sufficient budget for normative work and making the Secretariat work better on human rights. In setting priorities for the next budget the Committee should address the underfunding of the human rights pillar.

56. Those issues were critical to the reputation, credibility and operation of the Organization. The incoming Secretary-General should be welcomed with the news that they had all been resolved.

57. **Mr. Burity** (Angola) said that, by respecting existing negotiation mechanisms and the sovereign right of every Member State to pronounce on administrative and budgetary matters, at the previous session the Committee had been able to adopt decisions that were in the interest of the entire Organization. His delegation hoped that that constructive spirit would continue at the current session.

58. Member States would be required to consider hundreds of reports running to thousands of pages over the next three months. It was therefore crucial for the Secretariat and the Advisory Committee to ensure that Member States received reports well in advance. While his delegation appreciated that the Secretariat faced a large number of demands, the late issuance of reports undermined the ability of Member States to review

those reports and prepare adequately for negotiations. Among the reports currently delayed were those of the Secretary-General and the Advisory Committee on implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda, the contingency fund, the financial reports and audited financial statements, and reports of the Board of Auditors under certain agenda items. Unfortunately, the late issuance of reports continued to determine priorities for Member States and thus the Committee's programme of work.

59. At the current session, his delegation would pay particularly close attention to budget performance, the proposed programme budget outline for the biennium 2018-2019, and related special subjects, including the pension system, capital projects at the Economic Commission for Africa, the strategic heritage plan of the United Nations Office at Geneva, the global service delivery model, and the financing of special political missions, including the questions of separate accounts and funding and backstopping arrangements. His delegation hoped that all negotiations and deliberations would be conducted in an open, inclusive and transparent manner, and cautioned against deals made in small configurations.

60. Regarding the scale of assessments, a speedy decision should be taken on requests submitted under Article 19 of the Charter in order to enable the Member States concerned to exercise their right to vote and fully participate in the work of the General Assembly.

61. **Mr. Khalizov** (Russian Federation) said that the programme of work at the main part of the session included a number of serious challenges relating to the administrative and budgetary aspects of the Organization's work. His delegation hoped that final decisions on those matters would be taken on the basis of consensus.

62. The Committee would be discussing the first performance report on the programme budget for the biennium 2016-2017 and the proposed programme budget outline for the biennium 2018-2019. In recent years there had been a tendency to increase financial resource requirements over the course of the budget cycle because of, among other things, the approval of a large number of new mandates. Any proposals for the allocation of additional resources must be well founded. The Secretariat must exercise budgetary discipline, efficiency and transparency in its work. However, efforts to find savings should not impact negatively on the implementation of mandates approved by intergovernmental bodies. In that context, his delegation would closely scrutinize any proposals to reduce expenditure on programme support as a result of the introduction of Umoja.

63. The Committee would also be considering a number of reports on the implementation of transformation processes in the Organization, in particular human resources management reforms. It was a matter of serious concern that the Committee had still not been provided with full information on the arrangements for the implementation of the mobility policy in the Secretariat, requested by the General Assembly two and a half years previously. His delegation hoped that that would be rectified at the current session and that the Committee would be able to adopt a draft resolution taking stock of progress in the implementation of previous decisions. Equally, the delay in the implementation of the new compensation package for United Nations staff owing to shortcomings in the Umoja software was disquieting. In addition, new initiatives, including the proposal for a global service delivery model, should be set out in detail with a statement of the rationale for them and a clear indication of their financial and staffing implications and of the expected benefits.

64. With regard to the Committee's working methods, his delegation was not convinced by the proposal to extend the second part of the resumed session, since one of the main reasons for the delays in the completion of the Committee's work was the late submission of reports by the Secretariat. The problem also affected the work of the Advisory Committee, whose workload had increased significantly in recent years. All possible measures should first be taken to ensure the timely preparation of documentation; only then should the Committee consider to what extent it was necessary to extend the session. Such an extension would not only impose an additional workload on the Secretariat but also require the adoption of a decision on reform of the operational arrangements for the Advisory Committee, which had already been under consideration by the Committee for three years. Furthermore, a decision to extend the session would have financial implications and should only be taken on the basis of an Advisory Committee

recommendation, in accordance with the procedures approved by the General Assembly. The issue was not a purely organizational one and could not be decided upon by the Bureau of the Committee.

65. **The Chair** said that she took it that the Committee wished to approve the proposed programme of work on the understanding that the Bureau would take into account the views expressed and make any necessary adjustments.

66. *It was so decided.*

67. **The Chair** suggested that a deadline of 14 October should be set for the submission of candidacies for appointments to fill vacancies in subsidiary bodies and other appointments and that the elections should be held on 4 November. She took it that the Committee had no objection to the suggestion.

68. *It was so decided.*

Agenda item 138: Scale of assessments for the apportionment of the expenses of the United Nations (A/71/11 and A/71/73)

69. **Mr. Greiver** (Chair of the Committee on Contributions), introducing the report of the Committee on Contributions on its seventy-sixth session (A/71/11), said that the report contained the results of the review, conducted by the Committee on Contributions pursuant to General Assembly resolution 70/245, of elements of the methodology for the scale of assessments in order to reflect capacity to pay.

70. On the basis of its review of the income measure, which constituted a first approximation of capacity to pay, the Committee on Contributions had reaffirmed its recommendation that the scale of assessments should be based on the most current, comprehensive and comparable data available for gross national income (GNI). It had expressed support for efforts by the Statistical Division to enable Member States to submit national accounts data on a timely basis with the required scope, detail and quality. It had also recommended that the General Assembly should encourage Member States to submit the required national accounts questionnaires under the 1993 or 2008 System of National Accounts (SNA) on a timely basis.

71. Conversion rates were required in order to be able to express in a common monetary unit GNI data reported in national currencies. The Committee on Contributions had reaffirmed its recommendation that conversion rates based on market exchange rates (MERs) should be used, except where doing so would cause excessive fluctuations and distortions in the gross national income of some Member States expressed in United States dollars. GNI data must be averaged over a designated base period; once a base period had been chosen, there were advantages in using the same base period for as long as possible.

72. The Committee on Contributions had noted that the unavailability of data was no longer a factor in determining whether to base the debt-burden adjustment, an element of the methodology since 1986, on total external debt or public external debt, and whether the debt-stock approach or the debt-flow approach should be used. Data were now available on public external debt and on the actual repayment period. It had decided to consider further the question of the debt-burden adjustment in the light of guidance from the General Assembly.

73. While the Committee on Contributions had agreed that the low per capita income adjustment, part of the methodology since the first scale, continued to be an essential element in the scale methodology, it had considered various alternatives. One such alternative involved establishing the threshold on the basis of the world average per capita debt-adjusted GNI. Another possible alternative was an inflation-adjusted threshold. The Committee on Contributions had decided to consider the low per capita income adjustment further in the light of guidance from the General Assembly.

74. The current methodology included a maximum assessment rate, or ceiling, of 22 per cent, a maximum assessment rate, or ceiling, for the least developed countries of 0.010 per cent, and a minimum assessment rate, or floor, of 0.001 per cent. The Committee on Contributions had decided to consider those elements further in the light of guidance from the General Assembly. In connection with other suggestions and other possible elements for the scale methodology, it would also study further the questions of large scale-to-scale changes in rates of assessment, discontinuity

and annual recalculation in the light of guidance from the Assembly.

75. The report contained a review of the latest report of the Secretary-General on multi-year payment plans (A/71/73) and updated information on the status of implementation of the remaining payment plan as at 24 June 2016. The Committee on Contributions had reiterated its recommendation that the Assembly should encourage those Member States in arrears to consider submitting multi-year payment plans and had encouraged them to consult with the Secretariat as necessary regarding the preparation of such plans.

76. The Committee on Contributions had considered four requests for exemption under Article 19, and had encouraged the Member States concerned to address the growth in arrears by making annual payments exceeding current assessments in order to avoid further accumulation of debt. It had concluded that the failure of the four Member States — the Comoros, Guinea-Bissau, Sao Tome and Principe, and Somalia — to pay the minimum amount necessary to avoid the application of Article 19 was due to conditions beyond their control and recommended that they should be permitted to vote until the end of the seventy-first session of the General Assembly.

77. **Mr. Berridge** (Chief, Contributions and Policy Coordination Service), introducing the report of the Secretary-General on multi-year payment plans (A/71/73), said that six Member States had successfully implemented multi-year payment plans since the adoption of that system, which gave due consideration to the economic situation of Member States and was voluntary in nature.

78. The report set out the status of implementation of the sole remaining plan, submitted by Sao Tome and Principe, as at 31 December 2015. Sao Tome and Principe had made a payment of $50,400 under its plan in September 2016. No new payment plans had been submitted in recent years, but several Member States had indicated that they were considering the matter.

79. **Ms. Wairatpanij** (Thailand), speaking on behalf of the Group of 77 and China, said that Member States should pay their assessed contributions in full, on time and without conditions, in fulfilment of their legal obligations under the Charter, to ensure that the Organization had adequate financial resources to discharge its mandates. Consideration should nevertheless be given to the special circumstances that temporarily prevented some developing countries from meeting their financial obligations. In that regard, the Group endorsed the recommendation of the Committee on Contributions concerning the four Member States with pending requests under Article 19 and emphasized the need to consider those requests on an urgent basis.

80. She welcomed the efforts of Member States that had met their commitments under multi-year payment plans. Such plans should remain voluntary and should not be used as a means of exerting pressure on Member States that were already in difficult circumstances. Likewise, they should not be a factor in considering requests for exemption under Article 19 of the Charter.

81. The current methodology for the preparation of the scale of assessments reflected changes in the relative economic situations of Member States. The Group reaffirmed capacity to pay as the fundamental criterion in the apportionment of the expenses of the United Nations and rejected any changes in the elements of the current methodology aimed at increasing the contributions of developing countries. Core elements such as the base period, gross national income, conversion rates, low per capita income adjustment, the gradient, the floor, the least developed countries ceiling and the debt-stock adjustment were not negotiable. The Assembly should, however, review the overall ceiling, which had been fixed as a political compromise and was in consequence at odds with the principle of capacity to pay and a fundamental distortion of the scale of assessments.

82. Organizations with an enhanced observer status at the United Nations that enjoyed rights and privileges usually granted only to observer States should have the same financial obligations as such States. The Assembly should consider establishing an assessment for such organizations.

83. **Ms. Csernelházi** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia, the Republic of Moldova and Ukraine, said that the comprehensive review of the scale methodology had provided valuable recommendations for its

enhancement. Funding the Organization so as to ensure its sustainability and effective functioning was the joint responsibility of all Member States: further efforts must be made to ensure that the methodology reflected an equitable distribution of the financial responsibilities among Member States according to their capacity to pay.

84. With regard to the requests for exemptions under Article 19 of the Charter, she reiterated that the payment of assessed contributions in full, on time and without conditions was a fundamental duty of all Member States. Nevertheless, some States might face genuine temporary difficulties in discharging that duty for reasons beyond their control. Multi-year payment plans were effective tools that helped Member States to reduce their unpaid assessed contributions. She therefore endorsed the recommendations of the Committee on Contributions regarding exemptions under Article 19.

85. Bearing in mind the Committee's heavy workload and the need to enhance its working methods and accelerate its procedures, she called for the speedy conclusion of negotiations on the current agenda item. In that regard, the Committee should not discuss proposals that deviated from Article 17 of the Charter and the principle of the capacity to pay.

86. **Mr. Imada** (Japan) said that, as one of the major financial contributors to the United Nations, Japan attached great importance to the scale of assessments. His Government had faithfully paid its dues, despite its domestic economic and financial difficulties.

87. Taking into account the evolving global economic situation, a consensus must be reached on a methodology that equitably reflected each Member State's capacity to pay, based on current, comprehensive and comparable data, with a view to ensuring the sustainability of the Organization.

88. His delegation endorsed the recommendations of the Committee on Contributions regarding exemptions under Article 19 of the Charter and encouraged those Member States in arrears to consider submitting multi-year payment plans.

The meeting rose at 12.10 p.m.